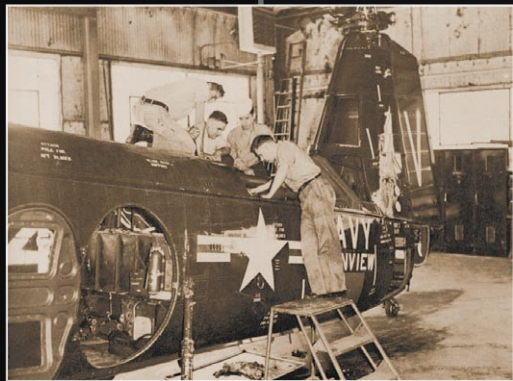




NAVAL AVIATION ENTERPRISE

“Naval aviation has advanced from a limited activity covering anti-submarine defense to one of widespread application as an integral part of a homogeneous fleet. This development has involved a tremendous amount of effort in which practically every branch of the Navy has an important part.”

—Rear Admiral William A. Moffett,
first Chief of the Bureau of Aeronautics,
1921-1933



HUP2, 1957

The NAE is a valuable and established construct that supports the readiness requirements of Naval Aviation by enhancing communication, fostering organizational alignment, encouraging inter-service integration, stimulating a culture of productivity, and facilitating change when change is needed to advance and improve. The NAE's single fleet-driven metric is: *Naval Aviation forces efficiently delivered for tasking*. While older and more mature than all other Navy enterprises, the NAE continues to evolve, and in 2009 it published a new strategic plan that changes both the vision and mission statements to define better and to describe more accurately the role and value of the NAE.

The vision of the NAE is to be the preeminent partnership of operators, sponsors, and providers who champion the efficient delivery of the right force with the right readiness at the right time . . . today and in the future. This vision captures what the NAE is and will continue to be in the future. To endeavor to be the standard bearer for partnering with fellow stakeholders and other enterprises is new, lofty, and appropriate.

The mission of any organization is essentially what it does and, in its absence, what would not get done. The NAE does not deliver readiness; readiness was delivered before the NAE. The NAE's mission, then, is to support Naval Aviation readiness requirements with transparent, cross-functional processes that facilitate risk-balanced decisions. As a result of the NAE, decision-making organizations (Title 10 authorities) are better informed to make decisions that benefit all of Naval Aviation, improve warfighting readiness and effectiveness, and generate the greatest possible efficiencies. This mission statement is a new paradigm and is far more precise than the previous mission statement in describing the Enterprise's role.

The NAE leadership also realized that there was a focus gap between current readiness and developing future capabilities, with future readiness being the bridge between the two. Thus, in 2009, the NAE ended the Future Capabilities Cross-Functional Team, and established the Future Readiness Cross-Functional Team, recognizing a more immediate and appropriate need for the focus to be on future readiness. This change in focus drove the first major structural change to the cross-functional teams in almost four years.

NAE membership also has changed. The new Commander, Naval Air Forces, Executive Director position has been added as an Executive Committee member and currently leads the Integrated Resource Management Team. And, as part of the reorganization of the Director of Naval Intelligence (N2) and Deputy Chief of Naval Operations for Communications Networks (N6) into the Deputy Chief of Naval Operations for Information Dominance (N2/N6), N2/N6 Concepts, Strategies, and Integration has been added as an Executive Committee member. Seeking further alignment between the Navy and Marine Corps, the Marine Aviation Executive Review Board Lead has been added to the Current Readiness Cross Functional Team as the Co-Lead and to the Air Board as a member. In addition, the Commanding General, Marine Training and Education Command, was added as an Extended Air Board member.

Also in 2009, the NAE published its first organizational structure and governance document, which codifies the NAE vision, mission, membership, roles, and responsibilities for each member. This document serves as the authoritative source for how the NAE functions.

The NAE is an acknowledged success, but it is still relatively new. Its leadership is committed to ensuring that the NAE continues to benefit Naval Aviation, to be relevant to current challenges, and to evolve to stay on the leading edge. It is important work, and, given the complex and unpredictable time in which we live, it is essential work as well.

CURRENT READINESS CROSS-FUNCTIONAL TEAM

The Current Readiness Cross-Function Team is responsible for attaining prescribed readiness levels with the people, equipment, and training necessary to generate units that are capable of operational use, or “ready for tasking.” During fiscal year 2008, the NAE reduced the gap between Navy aircraft that are ready for tasking and the number needed by combatant commanders from -7.1 percent to -6.5 percent, the Marine Corps CH-53D gap from -28 percent to -11 percent, and the EA-6B gap from -11 percent to 0 percent. A 20 percent gap reduction was achieved in 52 percent of aircraft type/model/series. During fiscal year 2009, the Navy (not including the Chief of Naval Air Training [CNATRA]) ready-for-tasking gap increased from -9.3 percent to -10.1 percent (with P-3 groundings continuing to impact the total force), and a 20 percent gap reduction was achieved in 33 percent of type/model/series.

In 2008, the Carrier Readiness Team’s operational process improvement and standardization team sponsored five projects. In addition, the team reduced: port visit costs by \$3.6 million; cycle time on F404/F414 engine repair by 50 percent; and aviation support equipment inventory by more than 1,240 fleet-wide, while saving 21,000 maintenance man-hours.

In fiscal year 2009, the team sponsored four projects that created more than \$1.5 million in cost avoidance and savings. In addition, all carriers are now in various phases of continuous process improvement implementation. In 2008 and 2009, the Carrier Readiness Team’s life-cycle management group and cost-wise readiness team used standardized business rules to identify and drive cost avoidance or savings in excess of \$127 million, with another \$23 million awaiting review and approval.

Continuing implementation of the Carrier Sierra-Hotel Aircraft Readiness Program (CV-SHARP) is creating a standard training and readiness reporting process for all Navy aircraft carriers using metrics that measure the individual training and readiness levels of recurring onboard watch teams to populate the training pillar within the Defense Readiness Reporting System-Navy. Ultimately, CV-SHARP will enable fleet forces or type commanders to get up-to-date reports of carrier fleet readiness at the touch of a button, with data less than 72 hours old.

The Naval enlisted aircrew production gap was reduced from -26 percent to -7 percent – a 73 percent improvement. Carrier Navy enlisted classification rating Fit improved from 84 percent (with four carriers below the standard) to 93 percent (with all carriers within the standard). During fiscal year 2008, the Carrier Readiness Team’s manpower initiative team successfully completed six projects that targeted work, billets, and costs in support of budget submissions, resulting in a reduction of 155 billets with a cost savings in excess of \$8.27 million.

TOTAL FORCE CROSS-FUNCTIONAL TEAM

The Total Force Cross-Functional Team remains the single process owner for all NAE personnel, including active and reserve military members, government civilians, and contractor support personnel. The team's mission remains unchanged: to develop and execute a comprehensive strategy for managing the "people element" of the NAE and balancing the impacts—financial and otherwise—of recruiting, training, and sustaining a force focused on warfighting readiness. To achieve this goal, the team has established the following:

- Rigorous metrics to measure personnel readiness throughout the NAE
- Barrier-removal and training teams that have closed enlisted classification Fit gaps
- Integrated NAE personnel budget submissions
- Innovative manning strategies for transitioning weapon systems
- Center for Naval Aviation Technical Training integrated production plans for initial "A" and "C" schools, career "C" school, and function and technical school for intermediate- and organization-level aviation technical training
- An enlisted classification challenge process.

FUTURE READINESS CROSS-FUNCTIONAL TEAM

Over the past two years, the NAE's Future Capabilities Cross-Functional Team undertook several initiatives that brought improvements to the requirements, acquisition, and budget processes. Noteworthy among these were initiatives that addressed the quality of program funding requests, restoration of program funding following funding decreases, requirements officers' training, implementation of system engineering processes, open architecture, and improvements to program performance using Lean and Six Sigma.

Recent acquisition reform initiatives are incorporating many of the improvement initiatives originally undertaken by the Future Capabilities Cross-Functional Team. As a result, the team has been reconstituted as the Future Readiness Cross-Functional Team and will focus on improving the reliability, maintainability, and availability of those systems that are currently in the fleet. The team will examine aviation degraders that contribute to ever increasing operations and support costs and will provide solutions for the most troublesome. The team also will examine the necessary requirements to ensure that reliability, maintainability, availability, and affordability are considered early during program initiation.



INTEGRATED RESOURCE MANAGEMENT TEAM

The Integrated Resource Management Team (IRMT) was established in May 2008. Its origin can be traced to a corporate-like chief financial officer organization that served as the chief communicator of current-year financial performance information for the NAE. While retaining some of the same functions as these previous efforts, the IRMT shifted to a future-year focus. Just as important, the IRMT is responsible for developing and implementing an integrated planning process to assess and to manage a balanced risk approach to Naval Aviation resource and investment decision making. The team concentrates on planning, programming, budgeting, and execution support to Office of the Chief of Naval Operations resource sponsors for program objective memoranda and program reviews development. The team emphasizes seams identification and resource sponsor financial conflict resolution with the goal of providing an integrated view of the Naval Aviation portfolio to the leadership of the NAE. The team will continue to provide financial analysis and recommendations to the NAE leadership in order to help achieve a balanced NAE portfolio.

AIRSpeed

The NAE's primary enabler for continuous process improvement is called *AIRSpeed*. This term encompasses all improvement tools and methodologies that produce readiness, improve quality of life for Sailors, Marines, and civilians, and assist with meeting cost constraints. The industry-proven tools provided to our workforce include Theory of Constraints, Lean, Six Sigma, barrier removal teams, and Kaizen initiatives. Their application to the processes associated with Naval Aviation maintenance, supply, and administration is driving the development of improved operating practices that consistently deliver greater readiness with greater efficiency. Because of its scope and flexibility, *AIRSpeed* can be tailored to the unique needs of multiple areas within the NAE. *AIRSpeed* enables readiness production by increasing the speed, reliability, and predictability of the processes associated with integrated maintenance and supply replenishment. It has contributed to reductions in the cycle time of aircraft, engine, and component repair and overhaul, leading to fewer items in the repair pipeline and more of them available for fleet use. Within the systems commands, *AIRSpeed* and similar continuous process improvement tool sets reduce the response times and costs of processes employed in the course of acquiring, testing, and sustaining new aircraft, weapons, and their related systems.

MARINE CORPS RESET

The Marine Corps Reset strategy applies a holistic, integrated maintenance process to groom, sustain, and reconstitute Marine Corps aircraft involved in overseas contingency operations, while increasing cooperation among type/model/series program managers, team leads, and team members. The Marine Corps Reset strategy focuses on maximizing flight line availability and reliability of aircraft, reducing depot backlog and out-of-reporting status time, enhancing the visibility of aircraft material condition, and reducing the burden on organization-level Marines. The strategy also focuses on repairing all depot noted-but-not-corrected discrepancies from scheduled depot events, reducing the number of backlogged engineering investigations to ensure safely flyable, high ready-for-tasking aircraft are available for overseas contingency operations, and measuring the effectiveness of process improvements and aircraft material condition and their contribution to the Marine Corps Aviation Executive Readiness Board and current readiness type/model/series teams' goals. In addition, the strategy optimizes maintenance plans to ensure the right things are being done at the right times and in the right ways to reduce man-hour requirements for deployed units.

MARINE AVIATION COMMAND AND CONTROL TRANSFORMATION

One of Marine Corps Aviation's highest priorities is to ensure that the Marine Air Command and Control System (MACCS) is prepared for emerging operational environments while it continues to support current operations. This system enhances capability by improving deployability, flexibility, adaptability, MAGTF integration, data fusion, and training.

All future enhancements to MACCS will focus on the "command" aspect of aviation command and control. By leveraging technological advancements and innovation to increase capability, MACCS will ensure that tactical air commanders can execute effectively their battle command and management functions in support of Marine air-ground task force commanders.

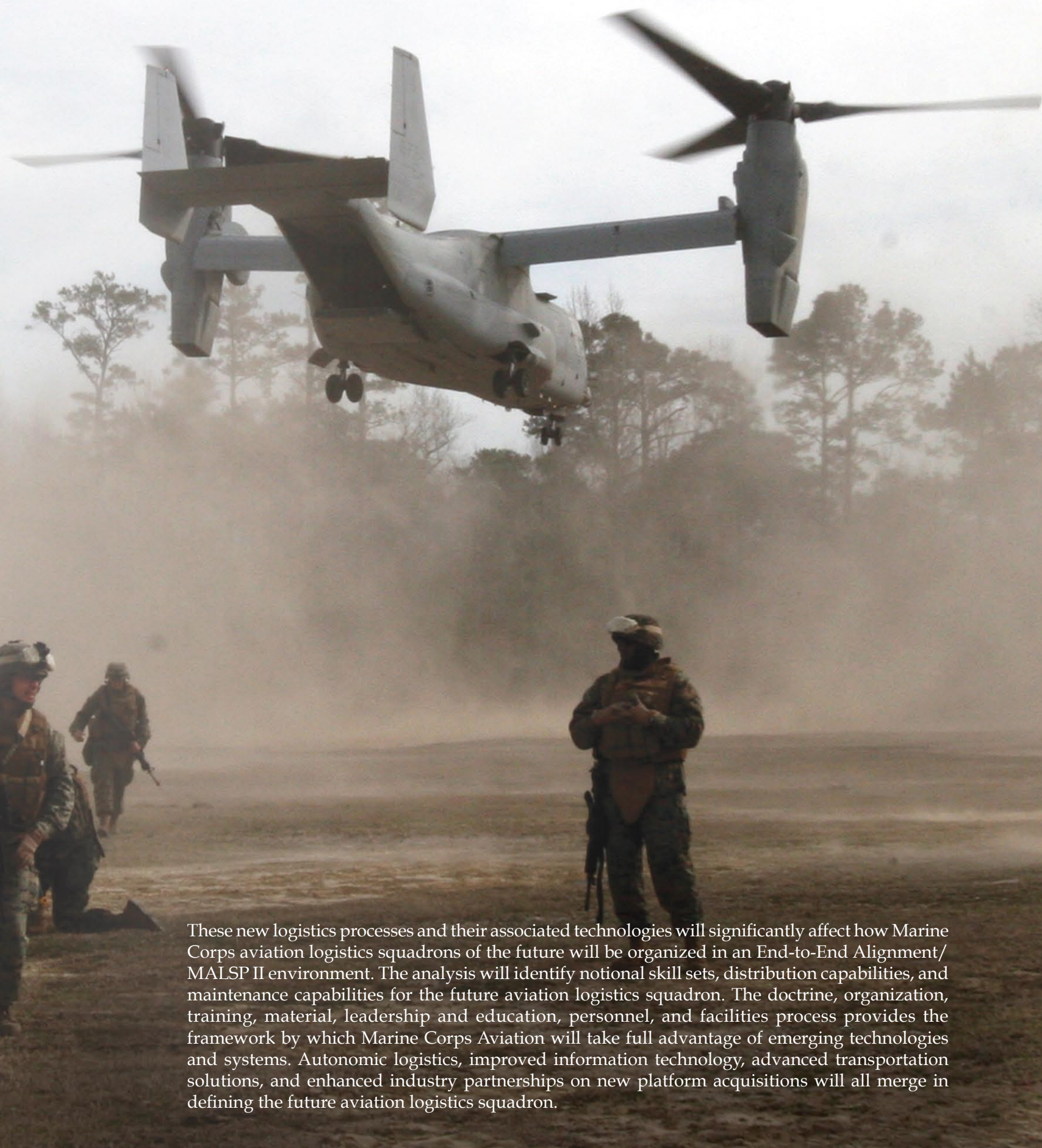


MARINE CORPS AVIATION LOGISTICS TRANSFORMATION

Marine Corps Aviation is transforming to meet the uncertain operational environment of the future and to move toward current readiness. Marine Corps Aviation logistics provides organizational and intermediate levels of maintenance, tactical supply, ordnance, and avionics in support of aviation combat elements, which are key components of MAGTFs. Satisfying this requirement, as it evolves to meet new challenges, involves a new way of doing business – End-to-End Alignment.

This new business process is being implemented using a carefully developed blueprint based on the Theory of Constraints, demand-pull logistics, and buffer management principles. It is a focused and aggressive continuous process improvement program that seeks to identify and eliminate waste, variation, and redundancy throughout the logistics chain. Implementing End-to-End Alignment in Marine Corps aviation logistics squadrons is only the first step. End-to-End Alignment is evolving to take a complete view of the entire Marine Aviation logistics supply chain, and will synchronize all supporting activities toward a common goal to provide Marine aviators with exceptional support.

Marine Aviation Logistics Support Program (MALSP) II is a logistics solution that is critical to maintaining Marine Aviation's capabilities. MALSP II will transform the Marine Corps logistics chain from a "push" system using historical data to provide a fixed allowance to a "pull" system in which supply buffers are determined by current demand. MALSP II will provide support to deployed and non-deployed core capable units at higher levels of performance, while decreasing infrastructure and resource inventory to support all forms of conflict. To ensure MALSP II's successful deployment, key stakeholders such as Marine forces and air wings were engaged to develop the mission-essential tasks required for the program's development and implementation. MALSP II is currently scheduled for an initial operational capability in fiscal year 2014.



These new logistics processes and their associated technologies will significantly affect how Marine Corps aviation logistics squadrons of the future will be organized in an End-to-End Alignment/MALSP II environment. The analysis will identify notional skill sets, distribution capabilities, and maintenance capabilities for the future aviation logistics squadron. The doctrine, organization, training, material, leadership and education, personnel, and facilities process provides the framework by which Marine Corps Aviation will take full advantage of emerging technologies and systems. Autonomic logistics, improved information technology, advanced transportation solutions, and enhanced industry partnerships on new platform acquisitions will all merge in defining the future aviation logistics squadron.